



# SENATE BILL No. 231

February 21, 2001, Introduced by Senators GAST, SCHWARZ, MC MANUS, JOHNSON, GOUGEON, SMITH and GOSCHKA and referred to the Committee on Appropriations.

## EXECUTIVE BUDGET BILL

A bill to make appropriations for a capital outlay program for the fiscal year ending September 30, 2002; to implement the appropriations within the budgetary process; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for certain advances from the general fund; to prescribe

powers and duties of certain state officers and agencies; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; to prescribe standards and conditions relating to the appropriations; and to provide for the expenditure of appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set for in this bill, the  
4 amounts listed in this part are appropriated for certain capital  
5 outlay projects at the various state agencies for the fiscal year  
6 ending September 30, 2002, from the funds indicated in this part. The  
7 following is a summary of the appropriations in this part:

8 **CAPITAL OUTLAY**

9 APPROPRIATIONS SUMMARY:

10	GROSS APPROPRIATION . . . . .	\$ 515,757,700
11	Interdepartmental grant revenues:	
12	Total interdepartmental grants and	
13	intradepartmental transfers . . . . .	7,000,000
14	ADJUSTED GROSS APPROPRIATION . . . . .	\$ 508,757,700
15	Federal revenues:	
16	Total federal revenues . . . . .	106,332,000
17	Special revenue funds:	
18	Total local funds . . . . .	26,000,000
19	Total private funds . . . . .	450,000
20	Total state restricted revenues . . . . .	28,309,000
21	State general fund/general purpose . . . . .	\$ 347,666,700

22 **Sec. 102. DEPARTMENT OF AGRICULTURE**

23 **ENVIRONMENTAL STEWARDSHIP**

1	Farmland and open space development acquisition		<u>5,000,000</u>
2	GROSS APPROPRIATION . . . . .	\$	5,000,000
3	Appropriated from:		
4	Special revenue funds:		
5	Farmland and open space withdrawal fees . . . . .		5,000,000
6	State general fund/general purpose . . . . .	\$	0
7	<b>Sec. 103. DEPARTMENT OF MANAGEMENT AND BUDGET</b>		
8	Lump sum projects:		
9	Major special maintenance and remodeling:		
10	For state agencies special maintenance projects		
11	estimated to cost more than \$100,000 but		
12	less than \$1,000,000 . . . . .	\$	7,000,000
13	Special maintenance and remodeling and		
14	additions:		
15	Major special maintenance and remodeling		
16	for department of community health . . . . .		2,000,000
17	Major special maintenance and remodeling for		
18	department of corrections . . . . .		7,832,000
19	Major special maintenance and remodeling for		
20	family independence agency . . . . .		2,841,700
21	Major special maintenance and remodeling for		
22	department of management and budget . . . . .		3,700,000
23	Major special maintenance and remodeling for		
24	department of natural resources . . . . .		750,000
25	Major special maintenance and remodeling for		
26	department of state police . . . . .		<u>1,025,000</u>
27	GROSS APPROPRIATION . . . . .	\$	25,148,700
28	Appropriated from:		
29	Interdepartmental grant revenues:		

1	IDG from building occupancy charges . . . . .		7,000,000
2	Special revenue funds:		
3	State general fund/general purpose . . . . .	\$	18,148,700
4	<b>Sec. 104. DEPARTMENT OF MILITARY AFFAIRS</b>		
5	Lump sum projects:		
6	For department of military affairs remodeling,		
7	additions, and special maintenance projects . . . . .	\$	2,174,000
8	Land acquisitions and appraisals statewide . . . . .		<u>500,000</u>
9	GROSS APPROPRIATION . . . . .	\$	2,674,000
10	Appropriated from:		
11	Federal revenues:		
12	DOD, department of the army, national guard		
13	bureau . . . . .		810,000
14	Special revenue funds:		
15	Armory construction fund . . . . .		500,000
16	State general fund/general purpose . . . . .	\$	1,364,000
17	<b>Sec. 105. DEPARTMENT OF NATURAL RESOURCES</b>		
18	<b>(1) DEPARTMENTAL SUMMARY:</b>		
19	GROSS APPROPRIATION . . . . .	\$	14,589,000
20	Interdepartmental grant revenues:		
21	Total interdepartmental grants and		
22	intradepartmental transfers . . . . .		0
23	ADJUSTED GROSS APPROPRIATION . . . . .	\$	14,589,000
24	Total federal revenues . . . . .		4,850,000
25	Total local revenues . . . . .		0
26	Total private revenues . . . . .		450,000
27	Total state restricted revenues . . . . .		9,289,000
28	State general fund/general purpose . . . . .	\$	0
29	<b>(2) STATE PARK REMODELING AND ADDITIONS:</b>		

1	State park improvement:		
2	State parks repair and maintenance . . . . .	\$	<u>2,500,000</u>
3	GROSS APPROPRIATION . . . . .	\$	2,500,000
4	Appropriated from:		
5	Special revenue funds:		
6	State park improvement fund . . . . .		1,500,000
7	State park endowment fund . . . . .		1,000,000
8	State general fund/general purpose . . . . .	\$	0
9	<b>(3) WATERWAYS BOATING PROGRAM:</b>		
10	Boating program, state boating access		
11	projects . . . . .	\$	275,000
12	Boating program, state harbors and docks . . . . .		5,289,000
13	Boating program, harbors and docks - local		
14	facilities . . . . .		150,000
15	Beaver Island, Charlevoix county, facility		
16	rehabilitation (total project cost \$1,100,000;		
17	state/local share \$275,000; federal share		
18	\$825,000) . . . . .		<u>625,000</u>
19	GROSS APPROPRIATION . . . . .	\$	6,339,000
20	Appropriated from:		
21	Federal revenues:		
22	DOI, U.S. fish and wildlife service, Dingell-		
23	Johnson . . . . .		1,400,000
24	Special revenue funds:		
25	Michigan state waterways fund . . . . .		4,939,000
26	State general fund/general purpose . . . . .	\$	0
27	<b>(4) WILDLIFE</b>		
28	State game and wildlife area maintenance . . . . .	\$	550,000
29	Statewide turkey habitat acquisition . . . . .		3,400,000

1	Statewide waterfowl habitat development and		
2	acquisition . . . . .		900,000
3	Waterfowl habitat acquisition . . . . .		<u>900,000</u>
4	GROSS APPROPRIATION . . . . .	\$	5,750,000
5	Appropriated from:		
6	Federal revenues:		
7	DOI-U.S. fish and wildlife service,		
8	Dingell-Johnson . . . . .		3,450,000
9	Special revenue funds:		
10	Private revenues, Ducks Unlimited . . . . .		450,000
11	Game and fish protection fund, turkey		
12	permit fees . . . . .		1,400,000
13	Game and fish protection fund, waterfowl		
14	hunting license fees . . . . .		450,000
15	State general fund/general purpose . . . . .	\$	0
16	<b>Sec. 106. DEPARTMENT OF TRANSPORTATION</b>		
17	<b>STATE TRUNKLINE FUND</b>		
18	Department buildings and facilities:		
19	Salt storage buildings and brine run-off		
20	control systems - contract agencies		
21	locations . . . . .	\$	1,000,000
22	Construct, renovate, and/or replace salt		
23	storage buildings, various maintenance		
24	garage locations . . . . .		450,000
25	New project offices - various statewide		
26	locations . . . . .		3,000,000
27	Coldwater welcome center, construction		
28	authorization (total project cost not		
29	to exceed \$2,750,000) . . . . .		2,750,000

1	St. Ignace welcome center/Upper Peninsula		
2	discovery center planning authorization . . . . .		300,000
3	Monroe welcome center, planning		
4	authorization . . . . .		75,000
5	Dundee welcome center, planning		
6	authorization . . . . .		75,000
7	Energy savings modifications and upgrades:		
8	Reroof MDOT facilities, fence MDOT properties,		
9	and install bituminous surface/resurfacing -		
10	various locations . . . . .		400,000
11	Institutional and agency roads . . . . .		750,000
12	Miscellaneous remodeling, additions, and		
13	emergency maintenance . . . . .		<u>1,000,000</u>
14	GROSS APPROPRIATION . . . . .	\$	9,800,000
15	Appropriated from:		
16	Special revenue funds:		
17	State trunkline fund . . . . .		9,800,000
18	State general fund/general purpose . . . . .	\$	0
19	<b>(2) AERONAUTICS FUND: AERONAUTICS PROGRAMS</b>		
20	Airport improvement programs . . . . .	\$	<u>152,722,000</u>
21	GROSS APPROPRIATION . . . . .	\$	152,722,000
22	Appropriated from:		
23	Federal revenues:		
24	DOT-federal aviation administration . . . . .		98,722,000
25	Special revenue funds:		
26	Local aeronautics match . . . . .		26,000,000
27	State aeronautics fund . . . . .		2,000,000
28	State general fund/general purpose . . . . .	\$	26,000,000
29	<b>Sec. 106. STATE BUILDING AUTHORITY RENT</b>		

1	State building authority rent - state agencies . . . . .	\$	50,936,100
2	State building authority rent - department of		
3	corrections . . . . .		101,303,300
4	State building authority rent - universities . . . . .		135,581,900
5	State building authority rent - community		
6	colleges . . . . .		<u>18,002,700</u>
7	GROSS APPROPRIATION . . . . .	\$	305,824,000
8	Appropriated from:		
9	Federal revenues:		
10	Federal funds-grand tower facility . . . . .		1,950,000
11	Special revenue funds:		
12	State building authority - University of		
13	Michigan, medicare and medicaid programs . . . . .		200,000
14	State lottery funds . . . . .		1,520,000
15	State general fund/general purpose . . . . .	\$	302,154,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

19       Sec. 201. (1) Pursuant to section 30 of article IX of the state  
20 constitution of 1963, total state spending from state sources under  
21 part 1 for fiscal year 2001-2002 is \$375,975,700.00 and state spending  
22 from state sources to be paid to local units of government for fiscal  
23 year 2001-2002 is \$28,125,000.00. The itemized statement below  
24 identifies appropriations from which spending to units of local  
25 government will occur:

CAPITAL OUTLAY

27	Department of natural resources - waterways . . . . .	\$	125,000
28	State transportation department - state		
29	aeronautics program . . . . .		<u>28,000,000</u>



1 Total . . . . . \$ 28,125,000

2 Sec. 202. The appropriations authorized under this bill are  
3 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to  
4 18.1594.

5 Sec. 203. As used in this bill:

6 (a) "Board" means the state administrative board.

7 (b) "Community college" does not include a state agency or  
8 university.

9 (c) "Department" means the department of management and budget.

10 (d) "Director" means the director of the department of management  
11 and budget.

12 (e) "DOD" means the United States department of defense.

13 (f) "DOI" means the United States department of interior.

14 (g) "DOT" means department of transportation.

15 (h) "Fiscal agencies" means the senate fiscal agency and the house  
16 fiscal agency.

17 (i) "ICF/MR" means intermediate care facilities for the mentally  
18 retarded.

19 (j) "IDG" means interdepartmental grant.

20 (k) "JCOS" means the joint capital outlay subcommittee of the  
21 appropriations committees.

22 (l) "MDOT" means the Michigan department of transportation.

23 (m) "Self-liquidating project" means a project constructed by a  
24 community college or university with money raised through the use of a  
25 debt instrument or other fund sources including, but not limited to,  
26 gifts, grants, federal funds, or institutional sources, that is  
27 expected to generate revenues to amortize the loan. A  
28 self-liquidating project may or may not be a self-supporting project.  
29 Examples of a self-liquidating project include dormitories, parking  
30 facilities, and stadia.

1 (n) "Self-supporting project" means a project of a community  
2 college or university that will house a function or activity from  
3 which revenue is generated that will cover all the direct and indirect  
4 operating costs of the project without the additional transfer of any  
5 other general fund money of the  
6 community college or university.

7 (o) "State agency" means an agency of state government. State  
8 agency does not include a community college or university.

9 (p) "State building authority" means the authority created under  
10 1964 PA 183, MCL 830.411 to 830.425.

11 (q) "University" means a 4-year university supported by the state.  
12 University does not include a community college or a state agency.

13 **CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS**

14 Sec. 301. Each capital outlay project authorized in this bill or  
15 any previous capital outlay act shall comply with the procedures  
16 required by the management and budget act, 1984 PA 431, MCL 18.1101 to  
17 18.1594.

18 Sec. 302. A statement of a proposed facility's operating cost  
19 shall be included with the facility's program statement and planning  
20 documents when the plans are presented to JCOS for approval.

21 Sec. 303. (1) Before proceeding with final planning and  
22 construction for projects at community colleges and universities  
23 included in an appropriations bill, the community college or  
24 university shall sign an agreement with the department that includes  
25 the following provisions:

26 (a) The university or community college agrees to construct the  
27 project within the total authorized cost established by the  
28 legislature pursuant to the management and budget act, 1984 PA 431,  
29 MCL 18.1101 to 18.1594, and an appropriations act.

30 (b) The design and program scope of the project shall not deviate

1 from the design and program scope represented in the program statement  
2 and preliminary planning documents approved by the department.

3 (c) Any other items as identified by the department that are  
4 necessary to complete the project.

5 (2) The department retains the authority and responsibility  
6 normally associated with the prudent maintenance of the public's  
7 financial and policy interests relative to the state-financed  
8 construction projects managed by a community college or university.

9 Sec. 304. (1) The department shall provide the JCOS and the fiscal  
10 agencies with reports as requested, describing the status of each  
11 planning or construction project financed by the state building  
12 authority, by this bill, or by previous acts. This report may  
13 include, but is not limited to:

14 (a) The name of the project and account number.

15 (b) Whether a program statement is approved.

16 (c) Whether schematics are approved by the department.

17 (d) Whether preliminary plans are approved by the department.

18 (e) The balance remaining in each account.

19 (f) The date of the last expenditure from the account.

20 (g) The anticipated date of occupancy if the project is under  
21 construction.

22 (h) The appropriations history for the project.

23 (i) The professional service contractor.

24 (j) The amount of a project financed with federal funds.

25 (k) The amount of a project financed through the state building  
26 authority.

27 (l) The total authorized cost for the project and the state  
28 authorized share if different than the total.

29 (2) As used in this section, "project" includes appropriation line  
30 items made for purchase of real estate.

1       Sec. 305. A state agency, college, or university shall take steps  
2 necessary to make available federal and other money indicated in this  
3 bill, to make available federal or other money that may become  
4 available for the purposes for which appropriations are made in this  
5 bill, and to use any part or all of the appropriations to meet  
6 matching requirements that are considered to be in the best interest  
7 of this state. However, the purpose, scope, and total estimated cost  
8 of a project shall not be altered to meet the matching requirements.

9       Sec. 306. Pursuant to section 242(2) of the management and budget  
10 act, 1984 PA 431, MCL 18.1242, the state budget office shall submit 5-  
11 year capital outlay requests developed by state agencies and approved  
12 by the state budget director, and 5-year capital outlay requests  
13 developed by universities and community colleges to the chairperson  
14 and ranking vice-chairperson of the JCOS and the fiscal agencies.

15 **USE AND FINANCE STATEMENTS**

16       Sec. 401. (1) A university or community college shall not let a  
17 contract for new construction of a nonstate-funded project estimated  
18 to cost more than \$1,000,000.00 unless the project is authorized by  
19 the JCOS. The request for legislative authorization shall be  
20 initially submitted for review to the JCOS and the state budget  
21 office. A nonstate-funded project request shall include a complete  
22 use and financing statement as defined by a policy adopted by the  
23 JCOS. The use and financing statement for a nonstate-funded project  
24 shall contain the estimated total construction cost and all associated  
25 estimated operating costs including a statement of anticipated project  
26 revenues. As used in this section, "new construction" includes land  
27 or property acquisition, remodeling and additions, and maintenance  
28 projects.

29       (2) A project that is constructed in violation of this section  
30 shall not receive state appropriations for purposes of operating the

1 project, or support for future infrastructure enhancements that are  
2 necessitated, in part or in total, by construction of the project.

3 (3) A state agency, including the department of military and  
4 veterans affairs, shall not let a contract, including those for a  
5 direct federally-funded capital outlay construction or major  
6 maintenance or remodeling project if the total project is estimated to  
7 cost more than \$1,000,000.00 and is to be constructed on state-owned  
8 lands, unless the project is approved by the department and by the  
9 JCOS. For projects over \$1,000,000.00, the state agency shall submit a  
10 use and finance statement as required for community colleges and  
11 universities in subsection (1). As used in this subsection, "direct  
12 federally-funded" refers to a project for which federal payments are  
13 made directly to the construction vendor and not to the state of  
14 Michigan.

15 (4) A public body corporate created under section 28 of article  
16 VII of the state constitution of 1963 and the urban cooperation act of  
17 1967, 1967 (ex sess) PA 7, MCL 124.501 to 124.512, by a contractual  
18 interlocal agreement between local participating economic development  
19 corporations formed under the economic development corporations act,  
20 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund  
21 shall not let a contract for new construction estimated to cost more  
22 than \$1,000,000.00 unless the project is authorized by the JCOS  
23 through the approval of a use and financing statement. For purposes  
24 of this subsection, the use and financing statement for a project  
25 shall contain the estimated total construction cost and all associated  
26 estimated operating costs. As used in this subsection, "new  
27 construction" means land or property acquisition, remodeling or  
28 additions, lease or lease purchase, and maintenance projects for the  
29 corporate office of the public body corporate described in this  
30 subsection.

**1 LUMP SUMS AND SPECIAL MAINTENANCE**

2       Sec. 501. (1) The director shall allocate lump-sum appropriations  
3 made in this bill for remodeling and addition, special maintenance,  
4 major special maintenance, energy conservation, demolition, ICF/MR,  
5 air-conditioning, and fire protection projects. The director shall  
6 allocate other lump sums in order of program priority and need of the  
7 various state agencies or as otherwise based on actual building  
8 inspection reports by regulatory agencies.

9       (2) The state budget director may authorize that funds  
10 appropriated for lump sum special maintenance shall be available for  
11 no more than 2 fiscal years following the fiscal year in which the  
12 original appropriation was made. Any remaining balance from  
13 allocations made in this section shall lapse to the fund from which it  
14 was appropriated pursuant to the lapsing of funds as provided in the  
15 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

16       Sec. 502. (1) The department may expend from the lump-sum special  
17 maintenance account amounts necessary to demolish any state-owned  
18 building that, in the director's opinion, should be demolished.

19       Sec. 503. (1) Pursuant to department policy, state agencies may  
20 expend not more than \$500,000.00 from their operating budget for  
21 special maintenance, remodeling, or additions purposes. In nonroutine  
22 emergency cases, cases where the health and safety of the public,  
23 state employees, or residents in state facilities are threatened, as  
24 determined by the department, the state agencies may expend not more  
25 than \$1,000,000.00 from their operating budgets for special  
26 maintenance purposes. The department shall report to the JCOS on a  
27 quarterly basis each time operating funds are used for special  
28 maintenance purposes in an amount over \$500,000.00.

**29 STATE BUILDING AUTHORITY**

30       Sec. 601. (1) Subject to section 242 of the management and budget

1 act, 1984 PA 431, MCL 18.1242, and upon the approval of the state  
2 building authority, the department may expend from the general fund of  
3 the state during the fiscal year ending September 30, 2002 an amount  
4 to meet the cash flow requirements of those state building authority  
5 projects solely for lease to a state agency identified in both part 1  
6 and this section, and for which state building authority bonds or  
7 notes have not been issued, and for the sole acquisition by the state  
8 building authority of equipment and furnishings for lease to a state  
9 agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which  
10 the issuance of bonds or notes is authorized by a legislative  
11 concurrent resolution that is effective for a fiscal year ending  
12 September 30, 2002. Any general fund advances for which state  
13 building authority bonds have not been issued shall bear an interest  
14 cost to the state building authority at a rate not to exceed that  
15 earned by the state treasurer's common cash fund during the period in  
16 which the advances are outstanding and are repaid to the general fund  
17 of the state.

18 (2) Upon sale of bonds or notes for the projects identified in  
19 part 1 or for equipment as authorized by legislative concurrent  
20 resolution and in this section, the state building authority shall  
21 credit the general fund of the state an amount equal to that expended  
22 from the general fund plus interest, if any, as defined in this  
23 section.

24 (3) For state building authority projects for which bonds or notes  
25 have been issued and upon the request of the state building authority,  
26 the state treasurer shall make advances without interest from the  
27 general fund as necessary to meet cash flow requirements for the  
28 projects, which advances shall be reimbursed by the state building  
29 authority when the investments earmarked for the financing of the  
30 projects mature.

1 (4) In the event that a project identified in part 1 is terminated  
2 after final design is complete, advances made on behalf of the state  
3 building authority for the costs of final design shall be repaid to  
4 the general fund in a manner recommended by the director and approved  
5 by the JCOS.

6 Sec. 602. (1) State building authority funding to finance  
7 construction or renovation of a facility that collects revenue in  
8 excess of money required for the operation of that facility shall not  
9 be released to a university or community college unless the  
10 institution agrees to reimburse that excess revenue to the state  
11 building authority. The excess revenue shall be credited to the  
12 general fund to offset rent obligations associated with the retirement  
13 of bonds issued for that facility. The auditor general shall annually  
14 identify and present an audit of those facilities that are subject to  
15 this section. Costs associated with the administration of the audit  
16 shall be charged against money recovered pursuant to this section.

17 (2) As used in this section, "revenue" includes state  
18 appropriations, facility opening money, other state aid, indirect cost  
19 reimbursement, and other revenue generated by the activities of the  
20 facility.

21 Sec. 603. (1) The state building authority rent appropriations in  
22 part 1 may also be expended for the payment of required premiums for  
23 insurance on facilities owned by the state building authority or  
24 payment of costs that may be incurred as the result of any deductible  
25 provisions in such insurance policies.

26 (2) If the amount appropriated in part 1 for state building  
27 authority rent is not sufficient to pay the rent obligations and  
28 insurance premiums and deductibles identified in subsection (1) for  
29 state building authority projects, there is appropriated from the  
30 general fund of the state the amount necessary to pay such



1 obligations.

2       Sec. 604. The department shall provide the JCOS and the fiscal  
3 agencies a report, not more than 15 days after the reporting date,  
4 relative to the status of construction projects associated with state  
5 building authority bonds on March 31 and September 30 of each year, or  
6 not more than 30 days after a refinancing or restructuring bond issue  
7 is sold. The report shall include, but is not limited to, the  
8 following:

9       (a) A list of all completed construction projects for which state  
10 building authority bonds have been sold, and which bonds are currently  
11 active.

12       (b) A list of all projects under construction for which sale of  
13 state building authority bonds are pending.

14       (c) A list of all projects authorized for construction or  
15 identified in an appropriations act for which approval of  
16 schematic/preliminary plans or total authorized cost is pending that  
17 have state building authority bonds identified as a source of  
18 financing.

19       Sec. 605. The University of Michigan shall take the necessary  
20 actions to ensure that eligible interest reimbursements from Medicare  
21 and Medicaid programs are made available to the state to satisfy part  
22 of the amount appropriated for the University of Michigan adult  
23 general hospital facility rent appropriation of \$27,917,000.00  
24 contained within the state building authority rent appropriation in  
25 part 1. To the extent of a difference between the estimated and  
26 actual amount received, there is appropriated from the general fund of  
27 the state the amounts necessary to satisfy the hospital rental  
28 requirements of the state building authority's 1986 revenue refunding  
29 bonds, series I. To the extent payments made to the state by the  
30 University of Michigan are required to be reimbursed pursuant to the

1 agreement with the University of Michigan, there is appropriated from  
2 the general fund the amount necessary for such reimbursement.

3 Sec. 606. (1) The state building authority, on behalf of the  
4 state, with the approval of the board, for the purpose of providing  
5 office and warehouse space for state agencies, may acquire for not  
6 more than the market value, subject to an independent fee appraisal,  
7 including estimated real estate taxes, various lease projects which  
8 contain purchase options in an aggregate cost not to exceed  
9 \$45,000,000.00. The state building authority is also authorized to pay  
10 any ancillary costs, other than the market value, that the state is  
11 required to pay under an option to purchase.

12 (2) All documents regarding the acquisition of the property  
13 described in subsection (1) shall be approved by the attorney general.

14 (3) The acquisition and subsequent conveyance to the state  
15 building authority shall conform to the provisions of 1964 PA 183, MCL  
16 830.411 to 830.425.

17 (4) Upon completion of the purchase of the Grand tower, the  
18 authorization for the acquisition of various lease projects that  
19 contain purchase options will be renewed at \$35,000,000.00.

#### 20 **COLLEGES AND UNIVERSITIES**

21 Sec. 701. (1) This section applies only to projects for community  
22 colleges.

23 (2) State support is directed towards the remodeling and  
24 additions, special maintenance, or construction of certain community  
25 college buildings. The community college shall obtain or provide for  
26 site acquisition and initial main utility installation to operate the  
27 facility. Funding shall be comprised of local and state shares, and  
28 the state share shall include 50% of any federal money awarded for  
29 projects appropriated in this bill. Not more than 50% of a capital  
30 outlay project, not including a lump-sum special maintenance project

1 or remodeling and addition project, for a community college shall be  
2 appropriated from state and federal funds.

3 (3) An expenditure under this bill is authorized when the release  
4 of the appropriation is approved by the board upon the recommendation  
5 of the director. The director may recommend to the board the release  
6 of any appropriation in part 1 only after the director is assured that  
7 the legal entity operating the community college to which the  
8 appropriation is made has complied with this bill and has matched the  
9 amounts appropriated as required by this bill. A release of funds in  
10 part 1 shall not exceed 50% of the total cost of planning and  
11 construction of any project, not including lump-sum remodeling and  
12 additions and special maintenance. Further planning and construction  
13 of a project authorized by this bill or applicable sections of the  
14 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall  
15 be in accordance with the purpose and scope as defined and delineated  
16 in the approved program statements and planning documents. This bill  
17 is applicable to all projects for which planning appropriations were  
18 made in previous acts.

19 (4) The community college shall take the steps necessary to secure  
20 available federal construction and equipment money for projects funded  
21 for construction in this bill if an application was not previously  
22 made. If there is a reasonable expectation that a prior year unfunded  
23 application may receive federal money in a subsequent year, the  
24 college shall take whatever action necessary to keep the application  
25 active. If federal money is received, the state share shall be  
26 adjusted accordingly as provided by this bill.

27 Sec. 702. (1) This section applies only to projects for  
28 universities.

29 (2) State support is directed towards the remodeling and  
30 additions, special maintenance, or construction of certain university

1 buildings. The university shall obtain or provide for site  
2 acquisition and initial main utility installation to operate the  
3 facility. Funding shall be comprised of local and state shares, and  
4 the state share shall include 75% of any federal money awarded for  
5 projects appropriated in this bill. Not more than 75% of a capital  
6 outlay project, not including a lump-sum special maintenance project  
7 or remodeling and addition project, for a university shall be  
8 appropriated from state and federal funds.

9 (3) An expenditure under this bill is authorized when the release  
10 of the appropriation is approved by the board upon the recommendation  
11 of the director. The director may recommend to the board the release  
12 of any appropriation in part 1 only after the director is assured that  
13 the legal entity operating the university to which the appropriation  
14 is made has complied with this bill and has matched the amounts  
15 appropriated as required by this bill. A release of funds in part 1  
16 shall not exceed 75% of the total cost of planning and construction of  
17 any project, not including lump-sum remodeling and additions and  
18 special maintenance. Further planning and construction of a project  
19 authorized by this bill or applicable sections of the management and  
20 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in  
21 accordance with the purpose and scope as defined and delineated in the  
22 approved program statements and planning documents. This bill is  
23 applicable to all projects for which planning appropriations were made  
24 in previous acts.

25 (4) The university shall take the steps necessary to secure  
26 available federal construction and equipment money for projects funded  
27 for construction in this bill if an application was not previously  
28 made. If there is a reasonable expectation that a prior year unfunded  
29 application may receive federal money in a subsequent year, the  
30 university shall take whatever action necessary to keep the

1 application active. If federal money is received, the state share  
2 shall be adjusted accordingly as provided by this bill.

3 Sec. 703. If local matching revenues are received in an amount  
4 less than the appropriations contained in this bill, the state funds  
5 of the appropriation shall be reduced in proportion to the amount of  
6 matching revenue received.

7 Sec. 704. (1) The director may require that community colleges and  
8 universities that have an authorized project listed in part 1 submit  
9 documentation regarding the project match and governing board approval  
10 of the authorized project not more than 60 days after the beginning of  
11 the fiscal year.

12 (2) If the documentation required by the director under subsection  
13 (1) is not submitted, or does not adequately authenticate the  
14 availability of the project match or board approval of the authorized  
15 project, the authorization may terminate. The authorization  
16 terminates 30 days after the director notifies the JCOS of the intent  
17 to terminate the project unless the JCOS convenes to extend the  
18 authorization.

19 **DEPARTMENT OF MANAGEMENT AND BUDGET**

20 Sec. 801. If the JCOS approves, the department, for purposes of  
21 administrative and fiscal efficiency, may consolidate or discontinue  
22 federal surplus property warehouses administered under 1961 PA 139,  
23 MCL 18.251 to 18.261.

24 **DEPARTMENT OF NATURAL RESOURCES**

25 Sec. 901. The appropriation made in this bill for the harbors and  
26 docks program is for the purpose of participating with the federal  
27 government and assisting political entities and subdivisions of this  
28 state in the construction and improvement of recreational boating  
29 facilities within this state. Subject to the approval of the board,  
30 this money shall be allocated by the department of natural resources

1 to the federal government, or to the political entities or local units  
2 of government involved in the particular projects. An allocation  
3 shall not exceed the state portion as listed with each project  
4 description. The department of natural resources shall take the steps  
5 necessary to match federal money available for the construction and  
6 improvement of recreational boating facilities within this state, and  
7 to meet requirements of the federal government.

8 Sec. 902. (1) Before August 15, 2002, the department of natural  
9 resources shall report each year to the JCOS the status of each  
10 project that received an appropriation in any capital outlay act, if  
11 the project is either not completed or has a balance remaining in its  
12 account. The report shall be separated into the following areas, by  
13 fund sources:

- 14 (a) Waterways projects.
- 15 (b) Urban recreation projects.
- 16 (c) State park projects.
- 17 (d) Wildlife and fisheries projects.
- 18 (e) Other projects.

19 (2) A project request for reauthorization by the department of  
20 natural resources shall also be identified within the report required  
21 by subsection (1). These reauthorization requests shall identify the  
22 subsection number of section 248 of the management and budget act,  
23 1984 PA 431, MCL 18.1248, that provides the reason and justification  
24 for the requested reauthorization.

25 (3) A project shall be reauthorized if approved by the JCOS after  
26 review by the state budget office.

27 Sec. 903. In addition to the appropriations in part 1, the  
28 department of natural resources may expend cash recoveries, and/or  
29 receive services of fair value from Detroit Edison up to a value of  
30 \$800,000.00, as provided in the March 25, 1999 administrative

1 agreement by consent with Detroit Edison for damages incurred on state  
2 park property in the Haven Hill natural area. These funds or services  
3 shall be used to supplement capital outlay appropriations for projects  
4 funded from the clean Michigan initiative, the state park improvement  
5 fund and the state park endowment fund.

6 **STATE TRANSPORTATION DEPARTMENT**

7       Sec. 1001. (1) From federal-state-local project appropriations  
8 contained in part 1 for the purpose of assisting political entities  
9 and subdivisions of this state in the construction and improvement of  
10 publicly used airports and landing fields within this state, the state  
11 transportation department may permit the award of contracts on behalf  
12 of units of local government for the authorized locations not to  
13 exceed the indicated amounts, of which the state allocated portion  
14 shall not exceed the amount appropriated in part 1.

15       (2) Political entities and subdivisions shall provide not less  
16 than 5% of the cost of any project under this section. State money  
17 shall not be allocated until local money is allocated, and except as  
18 provided in subsection (4) state money for any 1 project shall not  
19 exceed 1/3 of the total appropriation in part 1 from state funds for  
20 airport improvement programs.

21       (3) The Michigan aeronautics commission may take those steps  
22 necessary to match federal money available for airport construction  
23 and improvement within this state, and to meet the matching  
24 requirements of the federal government. Whether acting alone or  
25 jointly with another political subdivision or public agency or with  
26 this state, a political subdivision or public agency of this state  
27 shall not submit to any agency of the federal government a project  
28 application for airport planning or development unless it is  
29 authorized in this bill and the project application is approved by the  
30 governing body of each political subdivision or public agency making

1 the application, and by the Michigan aeronautics commission.

2 (4) The department of transportation shall notify the state budget  
3 director if additional federal aeronautics funds are anticipated  
4 beyond those appropriated in part 1 of this bill. In the event that  
5 additional federal funds are available, the state budget director  
6 shall recommend to the legislature an appropriation of state and local  
7 funds necessary to meet any federal matching requirements.

8 (5) From appropriations contained in part 1 for airport  
9 improvement programs, \$20,000,000.00 of the state general fund shall  
10 be used as state resources for state-funded components of the  
11 comprehensive northwest airlines midfield terminal project, and  
12 \$1,000,000.00 of the state general fund shall be used for state-funded  
13 components of projects at Willow Run airport. The allocation of state  
14 general fund money is subject to audit by the auditor general.

15 (6) From the appropriations contained in part 1 for airport  
16 improvement programs, no funds shall be allocated for any runway  
17 expansions at the Detroit-Willow Run airport.

18 Sec. 1002. (1) Before August 15, 2002, the state transportation  
19 department shall report each year to the JCOS the status of each  
20 project that received an appropriation in any capital outlay act, if  
21 the project is either not completed or has a balance remaining in its  
22 account. The report shall be separated into all the following areas:

23 (a) Highway programs, including each of the following:

24 (i) Lump sums.

25 (ii) Construction.

26 (b) Airport programs, including each of the following:

27 (i) Lump sums.

28 (ii) Construction.

29 (2) A project request for reauthorization by the state

30 transportation department shall also be identified within the reports



1 required by subsection (1). These reauthorization requests shall  
2 identify the subsection number of section 248 of the management and  
3 budget act, 1984 PA 431, MCL 18.1248, that provides the reason and  
4 justification for the requested reauthorization.

5 (3) A project shall be reauthorized if approved by the JCOS after  
6 review by the state budget office.

7 **MISCELLANEOUS**

8 Sec. 1101. (1) Revenue collected from licenses issued under the  
9 antenna site management project shall be deposited into the antenna  
10 site management revolving fund created for this purpose in the  
11 department of management and budget. The department may receive and  
12 expend funds from the fund for costs associated with the antenna site  
13 management project, including the cost of the third-party site  
14 manager. Any excess revenue remaining in the fund at the close of the  
15 fiscal year shall be proportionately transferred to the appropriate  
16 state restricted funds as designated in statute or by constitution.

17 (2) An antenna shall not be sited pursuant to this section without  
18 prior compliance with the respective local zoning codes and local unit  
19 of government processes.

20 Sec. 1102. (1) A site preparation economic development fund is  
21 hereby created in the department of management and budget. As used in  
22 this section, "economic development sites" means those state-owned  
23 sites declared as surplus property pursuant to section 251 of the  
24 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, that  
25 would provide economic benefit to the area or to the state. The  
26 Michigan economic development corporation board and the state budget  
27 director shall determine whether or not a specific state-owned site  
28 qualifies for inclusion in the fund created under this subsection.

29 (2) Proceeds from the sale of any sites designated in subsection  
30 (1) shall be deposited into the fund created in subsection (1) and

1 shall be available for site preparation expenditures, unless otherwise  
2 provided by law. The economic development sites authorized in  
3 subsection (1) are hereby authorized for sale consistent with state  
4 law. Expenditures from the fund are hereby authorized for site  
5 preparation activities that enhance the marketable sale value of the  
6 sites. Site preparation activities include, but are not limited to,  
7 demolition, environmental studies and abatement, utility enhancement,  
8 and site excavation.

9 (3) A cash advance in an amount of not more than \$25,000,000.00 is  
10 hereby authorized from the general fund to the site preparation  
11 economic development fund.

12 (4) An annual report shall be transmitted to the senate and house  
13 of representatives appropriations committees not later than December  
14 31 of each year. This report shall detail both of the following:

15 (a) The revenue and expenditure activity in the fund for the  
16 preceding fiscal year.

17 (b) The sites identified as economic development sites under  
18 subsection (1).

19 Sec. 1103. Of the amount appropriated in part 1 of P.A. 265 of  
20 1999, fiscal year 2001 state building authority rent - department of  
21 corrections, \$9,300,000.00 is transferred to major special maintenance  
22 and remodeling for the department of management and budget. These  
23 funds shall not lapse, but shall carry forward and are appropriated in  
24 the fiscal year ending September 30, 2002 for building operations  
25 costs within the department.